



State of Rhode Island and Providence Plantations

Revenue Estimating Conference

Room 117, STATE HOUSE, PROVIDENCE, RI 02903

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MEMORANDUM

To: The Honorable Joseph A. Montalbano, President of the Senate
The Honorable William J. Murphy, Speaker of the House
The Honorable Donald L. Carcieri, Governor

From: Russell C. Dannecker, Senate Fiscal Advisor
Michael F. O'Keefe, House Fiscal Advisor
Rosemary Booth Gallogly, State Budget Officer

Date: 17 May 2004

Subject: May 2004 Revenue Estimating Conference

The Revenue Estimating Conference (REC) met on 27 April, 3, 5, and 10 May 2004 in open public meetings. The Conference issued a revised estimate for FY2004 and FY2005 revenues. They are shown on the attached tables. Adopted estimates reflect current projections for the Rhode Island economy.

The economic projections were adopted by the REC at the 27 April 2004 session. Mr. Robert J. Langlais, Assistant Director, Labor Market Information, Department of Labor and Training presented his testimony in writing, as he could not attend. Dr. David Pace, Economist, US Regional Services for Global Insight and Dr. Steven G. Cochrane, Director of Regional Economics for Economy.com, Inc. presented testimony on the US and RI economies. On 3 May 2004 testimony was received from Ms. Sandra Lee, Finance Administrator, Rhode Island Lottery Commission on lottery receipts. Mr. Richard Coffey, Unclaimed Property Manager, Office of the General Treasurer presented information on projected unclaimed property revenues. On 5 May 2004 Mr. R. Gary Clark, Tax Administrator, Division of Taxation reviewed tax collections year to date. The REC adopted its revenue estimates on 10 May 2004.

RHODE ISLAND ECONOMIC FORECAST

Department of Labor and Training

Rhode Island's unemployment rate showed a downward trend for most of 2003 with a slight increase during the last quarter. The March 2004 unemployment rate rose to 5.6% as more Rhode Islanders entered the labor force looking for work. On the plus side, our seasonally adjusted unemployment rate has been below the US figure for thirty-two consecutive months. However the gap narrowed to just one-tenth of one percent last month (5.6% to 5.7%).

The total number of RI Residents classified as unemployed (seasonally adjusted) spiked in March 2004 following several months of relative stability. The estimated 31,500 unemployed Rhode Island residents in March was 2,300 greater than February's level; and 100 more than one year ago.

Unemployment claims statistics are signaling an improving economy with decreases in both the number of people filing claims for benefits and those collecting unemployment benefits on a weekly basis. The number on initial claims for unemployment benefits from December 2003 to April 2004 fell by 7.2% when compared to the same period last year, and 6.3% and 8.8% below the same periods in 2002 and 2001 respectively. Through the first sixteen weeks of 2004, continued claims, reflecting those individuals receiving unemployment insurance were 7.3% below the same period in 2003 and 5.6% below the same period in 2002.

It is estimated that in 2003 there were 483,700 jobs in RI. This is an increase of 4,300 jobs or a 0.9% increase for the year. RI was the only New England state to show a job gain in 2003 over 2002. MA jobs declined by 1.9% while CT jobs showed a loss of 1.3%. The total number of estimated jobs (seasonally adjusted) at RI businesses peaked in February 2004 but fell of by 800 jobs in March 2004.

Global Insight

It was noted that the US economy is "gaining speed." Gross Domestic Product (GDP) averaged 6.2% in the second half of 2003 and is expected to be close to 5.0% in the first quarter of 2004. Consumer spending and business investment, along with expansionary fiscal and monetary policies continue to drive the US's economic growth. The labor market is poised to gain further momentum. More than 500,000 jobs were added in the first quarter of 2004. The majority of economic indicators point towards recovery. The US economy is now moving towards a sustainable and broad based recovery.

A summary of RI's outlook was presented. RI's economy seems to be firmly on a recovery path. Total employment increased 1.3% in the first quarter of 2004 compared with the same periods a year earlier. During this time 6,400 jobs were added. When March 2004 is compared to March 2003, there were 3,100 new construction jobs, 1,200 new professional and business service jobs, and 1,500 new leisure & hospitality jobs. These gains were offset by the loss of 1,000 manufacturing jobs and 200 finance & insurance jobs. The unemployment rate averaged 5.3% in 2003 and through the first three months of 2004. For the third quarter of 2003 wage and salary disbursements increased 3.4% year over year. US growth was only 2.3%. During the same time period, personal income was up 3.9% in RI but only up 3.6% nationwide. The state's residential housing market has shown no signs of cooling. The average price of a single-family home in RI increased 16.4% in the fourth quarter of 2003. Correspondingly the increase was 10.1% in MA and 7.8% in the US. The median price of existing single home stood at \$213,000 at the end of 2003. A cautionary note was given. The merger of Bank of America and Fleet Boston, plus expected layoffs casts a shadow over the near term prospects of the financial service sector.

Economy.com, Inc.

The US economy's near-term prospects have brightened with definitive evidence that the job market has turned the corner. Businesses have finally responded to the strong growth in demand and production, adding a half million jobs during the first quarter. This is the strongest quarterly job gain in four years. The economy is now creating just enough jobs to ensure that unemployment and underemployment do not increase and that the expansion is self-sustaining. Businesses also have solid reasons to continue adding to payrolls. Demand for their wares is being boosted by more tax cuts, another surge in housing activity and mortgage borrowing, and the lower value of the dollar. Tax cutting this year will amount to some \$100 billion through larger tax refunds, lower tax bills for those taxpayers that have a liability, and accelerated depreciation benefits to businesses. The economic expansion is self-sustaining. This is the clear message in the recent definitive resumption of job growth. As fiscal and monetary stimulus fade in coming months, the job and resulting wage and salary gains will be sufficient to fill the void. While there remain substantial weights on the job market, which suggest that job growth will remain muted by historical standards, they are not heavy enough to short-circuit the broader expansion. With a better job market, the next test of the resilience of this expansion will be higher interest rates.

The Rhode Island economy is performing well. The pace of job creation over the year remains positive, with recently released benchmark data showing that employment growth has been quite strong, easily outperforming national employment growth. Initial claims for unemployment insurance have been trending downward for nearly two years and the estimate of industrial production has accelerated sharply since mid 2003. Escalating national defense spending will provide another growth driver for the state. Electric Boat continues to win federal contracts to retrofit submarines for use in special operations and surveillance. The company is slated to receive more than \$1 million in contracts from the U.S. Navy to perform work on Virginia Class submarines in addition to the \$222 million contract to convert three Trident Class submarines it has already secured. Raytheon is also enjoying more business from a larger defense budget given its emphasis on surveillance and control systems. On the private side, Amgen is profitable,

expanding, and investing \$1.5 billion in West Greenwich. Their product, Enbrel, has been in high demand and they are more than doubling their square footage of production space. The plant is estimated to be on line in 2005, adding 300 to 400 jobs. Renewed merger activity in financial services poses a downside risk to the area. As the industry consolidates, it will take even longer for spillover benefits to reach Rhode Island. One clear example is Fleet's merger with Bank of America. Because Bank of America has announced that there will be no layoffs in the Boston area, cutbacks in Rhode Island are expected. With Royal Bank of Scotland PLC, the parent of Citizens Financial Group, one of the largest employers in Providence, announcing its desire to expand in the U.S., similar results are likely. Thus, even though demand for tech and financial workers may rebound in Boston, it will be some time before this recovery is reflected in Rhode Island's tech and financial sectors.

Consensus Forecast

The Revenue Estimating Conference adopted an economic forecast for the fiscal years 2004 to 2012. This estimate is based on a period of solid growth in personal, wage and salary income and total transfer payments. Nonfarm Business income increases during the period, range from a high of 8.4% in FY2004 to a low of 4.2% in FY2010. From FY2004 to FY2007, Nonfarm employment will grow by an average 1.4% and slow to 0.8% in the out years. The estimate includes 481.1 thousand jobs in FY2003 growing to 486.9 thousand in FY2004 and 494.7 thousand in FY2005. The State would top 500,000 jobs in FY2006. The unemployment rate ranges from 5.3% to 4.9% showing a decline throughout the period. Interest rates on three month and ten year treasuries are projected to increase. The consensus forecast is shown on the table below.

<i>Rhode Island Economic Forecast</i>									
<i>May 2004 Revenue Estimating Conference</i>									
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
<i>Annual Growth</i>									
<i>Nonfarm Employment</i>	1.2	1.6	1.6	1.2	0.9	0.8	0.8	0.8	0.8
<i>Personal Income</i>	4.0	3.9	4.2	4.4	4.4	4.2	4.2	4.3	4.5
<i>Wage and Salaries Income</i>	3.7	4.1	4.8	4.7	4.5	4.3	4.1	4.0	4.0
<i>Farm Income</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Nonfarm Business Income</i>	8.4	7.6	5.7	5.2	4.9	4.3	4.2	4.5	4.8
<i>Dividends, Interest and Rent</i>	0.6	1.9	2.7	3.4	3.8	4.1	4.5	4.8	4.9
<i>Total Transfer Payments</i>	5.6	3.1	3.0	3.6	3.9	4.0	4.2	4.5	5.0
<i>Rates</i>									
<i>Unemployment Rate</i>	5.3	5.3	5.1	5.0	5.0	4.9	4.9	4.9	4.9
<i>Consumer Price Index (US)</i>	2.1	1.6	1.6	2.0	2.2	2.2	2.3	2.4	2.4
<i>Ten Year Treasuries</i>	4.2	4.7	5.3	5.5	5.7	5.9	6.1	6.2	6.2
<i>Three Month Treasuries</i>	1.1	1.9	3.0	3.5	3.8	4.4	4.9	5.0	5.0

FY2004 -- REVENUES

Resources available totaled **\$2,758.4** million in FY2003 based on revised un-audited data presented by the State Controller in March, 2004. The May Revenue Estimating Conference estimates that in FY2004 available resources will total **\$2,839.5** million. This is an increase of **\$81.2** million, which is **2.9%** over FY2003. When the General Assembly enacted the FY2004 budget, the growth rate was estimated to be **2.0%**.

November Conference Estimate compared to the May Conference Estimate

When compared to the November estimate for FY2004, the revised revenue estimate of **\$2,839.5** million increased available resources by **\$54.6** million. The November FY2004 Revenue Estimate was **\$2,785.0** million. The total estimate of *Taxes* increased by **\$45.3** million from the November level.

The estimate for the largest single source of revenue, the Personal Income Tax was increased from **\$854.9** to **\$885.0**, a change of **\$30.1** million. This upward change was based on actual collections through the end of April. The projected growth rate for the Personal Income Tax is now **8.8%** compared to November's **5.1%**.

The estimate for the total of General Business Taxes was increased. The November estimate was **\$226.3** million. The May estimate is **\$245.5** million. This is an increase of **\$19.2** million. Two substantial increases were made to the estimated receipts from Business Corporations and Financial Institutions taxes. The May estimate for the Business Corporations tax was increased by **\$11.5** million, from **\$68.5** million to **\$80.0** million. The May estimate for the Financial Institutions tax was increased by **\$10.5** million, from **minus \$13.5** million to **minus \$3.0** million. This represents a shift of an expected refund of over \$10 million from FY2004 to FY2005. It should be noted that the estimators took into account for the first time the projected impact of the RI Historic Tax Credits.

Rhode Island's second largest source of revenue, the Sales & Use Tax, is expected to bring in **\$5.8** million more than was estimated in November. In November it was estimated that this revenue stream would generate **\$816.0** million, whereas it is now projected to bring in **\$821.8** million. This revision is predicated on a collection history for the last ten months. The projected growth rate for the Sales & Use Tax is now **5.7%** compared to November's **4.9%**. All other consumption taxes now total **\$174.1** million compared to **\$181.3** million in November. This is decline of **\$7.2** million. The estimated receipts from Motor Vehicle licenses and registrations are expected to decline from the November estimate, by **\$3.1** million, and Cigarettes by **\$4.4** million.

The total collections from Other Taxes is currently estimated at **\$41.7** million which is **\$2.5** million less than the November estimate of **\$44.2** million.

Based on collection history, to date the REC increased *Departmental Revenues* by **\$6.9** million from November's estimated level and *Other Sources* by **\$2.3** million.

FY2005 -- REVENUES

November Conference Estimate compared to the May Conference Estimate

When compared to the November estimate for FY2005, revised revenue estimate of **\$2,814.3** million increased available resources by **\$25.0** million. The November FY2005 Revenue Estimate was **\$2,789.4** million.

The total estimate of *Taxes* increased by **\$8.2** million from the November level. The estimate for the largest single source of revenue, the Personal Income Tax was increased from **\$893.1** million to **\$913.8** million, a change of **\$20.7** million. The total of all General Business Taxes declined by **\$4.4** million. While the Sales & Use Tax estimate was increased by **\$6.4** million, all other sales and use taxes declined by **\$10.8** million. The total for all Other Taxes declined by **\$3.6** million.

The total estimate of *Departmental Revenues* increased by **\$12.9** million from November's estimated level. The total estimate of *Other Sources* increased by **\$3.8** million.

FY2004 COMPARED TO FY2005

FY2004 May Conference Estimate compared to FY2005 May Conference Estimate

When compared to the FY2004 May Conference Estimate the FY2005 revenue estimate of **\$2,814.3** million indicates that available resources will decrease by **\$25.2** million largely due to the non-inclusion of \$62.4 million for the Hospital Licensing Fee in FY2005 pending legislative enactment and \$50.0 million of federal flexible funds provided to the states on a one-time basis in FY2004. The total estimate of *Taxes* increased by **\$61.4** million from the FY2004 consensus level.

The Personal Income Tax estimate will increase **\$28.8** million calculated by using the FY2004 estimate and an overall growth rate of **3.3%**. This is less than the projected growth rate of **8.8%** for FY2004. The FY2005 consensus estimate for the Personal Income Tax is **\$913.8** million.

The estimate for the total of General Business Taxes was increased from the FY2004 consensus level. The FY2004 estimate is **\$245.5** million. The estimate for FY2005 is **\$255.8** million. This is an increase of **\$5.8** million. It would have been approximately \$10.0 million greater but for the shift from FY2004 of an expected refund of over \$10 million to a financial institution. Estimators again took into account for the first time the projected impact of the RI Historic Tax Credits.

The Sales & Use Tax is projected to increase **\$34.6** million over the FY2004 consensus level. This is a **4.2%** rate of growth compared to **5.7%** growth rate in FY2004. All other sales and use taxes are projected to decline **\$6.8** million from the FY2004 consensus estimate. The decline is attributable to a decline of **\$8.4** million in the Cigarette Tax.

The total collections from Other Taxes are estimated at **\$40.6** million. This is a decrease of **\$1.1** million from the FY2004 consensus estimate.

The total estimate of *Departmental Revenues* decreases by **\$53.2** million from the FY2004 consensus level. This reflects the expiration of the Hospital Licensing Fee of **\$62.4** million for FY2005.

The total estimate of *Other Sources* decreases by **\$33.3** million from the FY2004 consensus level. Other Miscellaneous revenues decline by **\$60.2** million. In FY2004 the State received \$50.0 million in Federal Funds that will not repeat in FY2005. Also based on current law \$7.0 million in Sinking Fund assets will not be available in FY2005. The Unclaimed Property transfer to General Revenues is projected to decline **\$7.4** million from the FY2004 consensus estimate. The Other Sources decreases are offset by a **\$34.1** million increase in estimated lottery proceeds.

Impact on the Governor's Proposed Revenues

As noted above the change from the November to May estimate for FY2004 is **\$54.6** million and for FY2005 is **\$25.0** million. The Revenue Estimating conferees agreed that certain revenue items proposed by the Governor, that did not require law changes would be included in the May estimate. These items total **\$11.2** million for FY2004 and **\$15.3** million in FY2005.

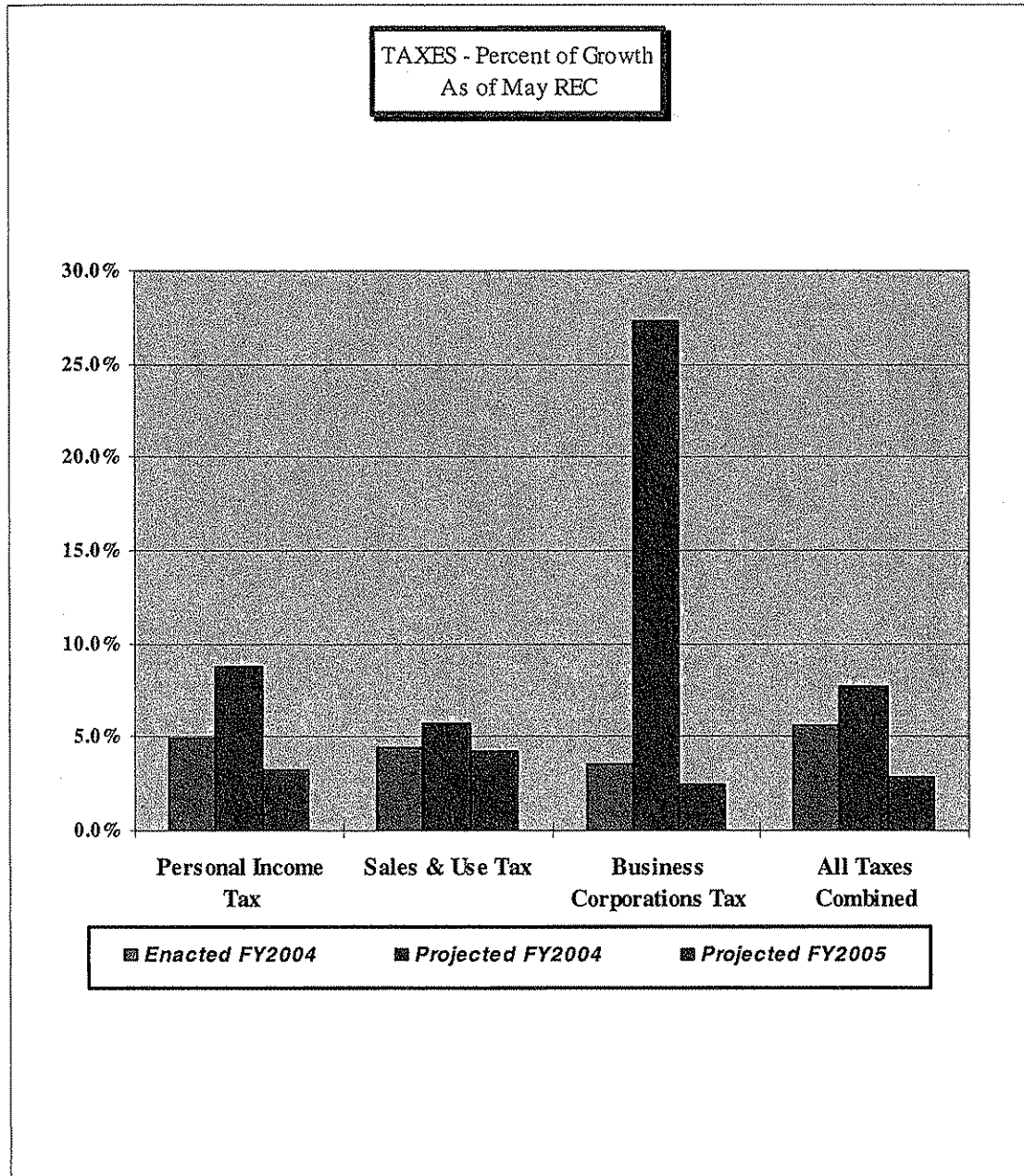
In the Governor's FY2004 Supplemental and FY2005 Budgets there are certain proposals, requiring law changes, whose values have changed as a result of this Revenue Estimating Conference. It is estimated that if all of the Governor's proposals were enacted they would now generate \$0.2 million more in FY2004 and \$3.2 million less in FY2005 than when submitted.

When the above adjustments are made the impact of the May 2004 REC on revenues proposed in the Governor's budgets is \$43.6 million in FY2004 and \$6.5 million in FY2005. The two-year total is \$50.1 million.

Impact on Governor's Proposed Revenues	FY2004	FY2005
November 2004 REC Estimate	\$ 2,785.0	\$ 2,789.4
May 2004 REC Estimate	\$ 2,839.5	\$ 2,814.3
Change	\$ 54.6	\$ 25.0
Governor's Proposals included in May 2004 Estimate	\$ (11.2)	\$ (15.3)
Changes to Governor's Proposals Based on MAY 2004 REC	\$ 0.2	\$ (3.2)
<i>Budget Impact</i>	\$ 43.6	\$ 6.5
<i>Two Year Impact</i>		\$ 50.1

ATTACHMENTS & NEXT MEETING

Attached you will find three tables and below one graph that details the changes noted in the narrative above. The next required meeting of the conference is currently scheduled for November 2004.



REVENUE COMPARISONS - FY2004			Growth		Growth		Growth
TABLE: REC #1		Enacted	Rate	Conference	Rate	Conference	Rate Conf.
REC Report		June	FY03	May	FY03 to	May	May FY04
20-May-04	Unaudited	Estimate	to Enacted	Estimate	Con. May	Estimate	to Con.
GENERAL REVENUES	FY2003	FY2004	FY04	FY2004	FY04	FY2005	May FY05
TAXES							
Personal Income Tax	\$813,342,788	\$853,310,000	4.9%	\$885,000,000	8.8%	\$913,800,000	3.3%
GENERAL BUSINESS TAXES:							
Business Corporations	\$62,818,292	\$65,060,000	3.6%	\$80,000,000	27.4%	\$82,000,000	2.5%
Public Utilities Gross Earnings	\$76,134,288	\$77,800,000	2.2%	\$85,000,000	11.6%	\$86,500,000	1.8%
Financial Institutions	\$9,804,211	\$1,500,000	-84.7%	(\$3,000,000)	-130.6%	(\$3,000,000)	0.0%
Insurance Companies	\$51,287,425	\$50,600,000	-1.3%	\$42,600,000	-16.9%	\$41,000,000	-3.8%
Bank Deposits	\$1,697,630	\$1,430,000	-15.8%	\$1,000,000	-41.1%	\$1,010,000	1.0%
Health Care Provider Assessments	\$28,140,784	\$40,940,000	45.5%	\$39,900,000	41.8%	\$43,800,000	9.8%
<i>Subtotal -- General Business Taxes</i>	<i>\$229,882,630</i>	<i>\$237,330,000</i>	<i>3.2%</i>	<i>\$245,500,000</i>	<i>6.8%</i>	<i>\$251,310,000</i>	<i>2.4%</i>
SALES AND USE TAXES:							
Sales and Use	\$777,664,132	\$812,205,533	4.4%	\$821,800,000	5.7%	\$856,400,000	4.2%
Motor Vehicle	\$47,043,143	\$48,200,000	2.5%	\$45,800,000	-2.6%	\$47,100,000	2.8%
Motor Fuel	\$1,022,168	\$620,000	-39.3%	\$1,075,000	5.2%	\$1,092,000	1.6%
Cigarettes	\$94,379,289	\$119,220,000	26.3%	\$117,000,000	24.0%	\$108,600,000	-7.2%
Alcohol	\$10,059,399	\$10,300,000	2.4%	\$10,200,000	1.4%	\$10,500,000	2.9%
Marijuana Controlled Substances	\$0	\$0		\$0		\$0	
<i>Subtotal -- Sales and Use Taxes</i>	<i>\$930,168,131</i>	<i>\$990,545,533</i>	<i>6.5%</i>	<i>\$995,875,000</i>	<i>7.1%</i>	<i>\$1,023,692,000</i>	<i>2.8%</i>
OTHER TAXES:							
Inheritance and Gift	\$24,351,448	\$30,700,000	26.1%	\$24,600,000	1.0%	\$25,000,000	1.6%
Racing & Athletics Tax	\$5,309,872	\$5,000,000	-5.8%	\$4,785,000	-9.9%	\$4,610,000	-3.7%
Realty Transfer	\$9,481,801	\$8,900,000	-6.1%	\$12,300,000	29.7%	\$11,000,000	-10.6%
<i>Subtotal -- Other Taxes</i>	<i>\$39,143,121</i>	<i>\$44,600,000</i>	<i>13.9%</i>	<i>\$41,685,000</i>	<i>6.5%</i>	<i>\$40,610,000</i>	<i>-2.6%</i>
TOTAL - Taxes	\$2,012,536,670	\$2,125,785,533	5.6%	\$2,168,060,000	7.7%	\$2,229,412,000	2.8%
TOTAL - Departmental Revenues	\$289,581,149	\$287,037,601	-0.9%	\$293,900,000	1.5%	\$240,700,000	-18.1%
TOTAL - Taxes & Departmentals	\$2,302,117,819	\$2,412,823,134	4.8%	\$2,461,960,000	6.9%	\$2,470,112,000	0.3%
OTHER SOURCES							
Gas Tax Transfers	\$25,506,330	\$6,608,000	-74.1%	\$6,608,000	-74.1%	\$6,692,000	1.3%
Other Miscellaneous	\$185,738,126	\$71,341,582	-61.6%	\$70,400,000	-62.1%	\$10,250,000	-85.4%
Lottery	\$236,540,055	\$301,770,293	27.6%	\$283,900,000	20.0%	\$318,000,000	12.0%
Unclaimed Property	\$8,458,048	\$12,900,000	52.5%	\$16,650,000	96.9%	\$9,290,000	-44.2%
TOTAL- Other Sources	\$456,242,559	\$392,619,875	-13.9%	\$377,558,000	-17.2%	\$344,232,000	-8.8%
TOTAL- GENERAL REVENUE	\$2,758,360,378	\$2,805,443,009	1.7%	\$2,839,518,000	2.9%	\$2,814,344,000	-0.9%

FY04 REC Report

REVENUE COMPARISONS - FY2004									
TABLE: REC #2									
REC Report									
20-May-04									
GENERAL REVENUES									
TAXES	Unaudited FY2003	Enacted June Estimate FY2004	Conference November Estimate FY2004	Conference May Estimate FY2004	Conference November Vs Enacted FY2004	Conference May Vs Enacted FY2004	Conference May vs Conference November	Growth Rate FY03 to FY04 Con. Nov.	Growth Rate FY03 to FY04 Con. May
Personal Income Tax	\$813,342,788	\$853,310,000	\$854,900,000	\$885,000,000	\$1,590,000	\$31,690,000	\$30,100,000	4.9%	8.8%
GENERAL BUSINESS TAXES:									
Business Corporations									
Public Utilities Gross Earnings	\$62,818,292	\$65,060,000	\$68,500,000	\$80,000,000	\$3,440,000	\$14,940,000	\$11,500,000	3.6%	27.4%
Financial Institutions	\$76,134,288	\$77,800,000	\$77,800,000	\$85,000,000	\$0	\$7,200,000	\$7,200,000	2.2%	11.6%
Insurance Companies	\$9,804,211	\$1,500,000	(\$13,500,000)	(\$3,000,000)	(\$15,000,000)	(\$4,500,000)	\$10,500,000	-84.7%	-130.6%
Bank Deposits	\$51,287,425	\$50,600,000	\$50,600,000	\$42,600,000	\$0	(\$8,000,000)	(\$8,000,000)	-1.3%	-16.9%
Health Care Provider Assessments	\$1,697,630	\$1,430,000	\$1,730,000	\$1,000,000	\$300,000	(\$430,000)	(\$730,000)	-15.8%	-41.1%
	\$28,140,784	\$40,940,000	\$41,200,000	\$39,900,000	\$260,000	(\$1,040,000)	(\$1,300,000)	45.5%	41.8%
SALES AND USE TAXES:									
Sales and Use									
Motor Vehicle	\$777,664,132	\$812,205,533	\$816,000,000	\$821,800,000	\$3,794,467	\$9,594,467	\$5,800,000	4.4%	5.7%
Motor Fuel	\$47,043,143	\$48,200,000	\$48,900,000	\$45,800,000	\$700,000	(\$2,400,000)	(\$3,100,000)	2.5%	-2.6%
Cigarettes	\$1,022,168	\$620,000	\$700,000	\$1,075,000	\$80,000	\$455,000	\$375,000	-39.3%	5.2%
Alcohol	\$94,379,289	\$119,220,000	\$121,400,000	\$117,000,000	\$2,180,000	(\$2,220,000)	(\$4,400,000)	26.3%	24.0%
Marijuana Controlled Substances	\$10,039,399	\$10,300,000	\$10,300,000	\$10,200,000	\$0	(\$100,000)	(\$100,000)	2.4%	1.4%
OTHER TAXES:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Inheritance and Gift									
Racing & Athletics Tax	\$24,351,448	\$30,700,000	\$28,500,000	\$24,600,000	(\$2,200,000)	(\$6,100,000)	(\$3,900,000)	26.1%	17.0%
Realty Transfer	\$5,309,872	\$5,000,000	\$4,900,000	\$4,785,000	(\$100,000)	(\$215,000)	(\$115,000)	-5.8%	-9.9%
	\$9,481,801	\$8,900,000	\$10,800,000	\$12,300,000	\$1,900,000	\$3,400,000	\$1,500,000	-6.1%	29.7%
TOTAL - Taxes	\$2,012,536,670	\$2,125,785,533	\$2,122,730,000	\$2,168,060,000	(\$3,055,533)	\$42,274,467	\$45,330,000	5.6%	7.7%
DEPARTMENTAL REVENUE									
TOTAL - Departmental Revenues	\$289,581,149	\$287,037,601	\$287,000,000	\$293,900,000	(\$37,601)	\$6,862,399	\$6,900,000	-0.9%	1.5%
TOTAL - Taxes & Departmentals	\$2,302,117,819	\$2,412,823,134	\$2,409,730,000	\$2,461,960,000	(\$3,093,134)	\$49,136,866	\$52,230,000	4.8%	6.9%
OTHER SOURCES									
Gas Tax Transfers	\$25,506,330	\$6,608,000	\$6,608,000	\$6,608,000	\$0	\$0	\$0	-74.1%	-74.1%
Other Miscellaneous	\$185,738,126	\$71,341,582	\$71,037,227	\$70,400,000	(\$304,355)	(\$941,582)	(\$637,227)	-61.6%	-62.1%
Lottery	\$236,540,055	\$301,770,293	\$283,100,000	\$283,900,000	(\$18,670,293)	(\$17,870,293)	\$800,000	27.6%	20.0%
Unclaimed Property	\$8,458,048	\$12,900,000	\$14,490,000	\$16,650,000	\$1,590,000	\$3,750,000	\$2,160,000	52.5%	96.9%
TOTAL - Other Sources	\$456,242,559	\$392,619,875	\$375,235,227	\$377,558,000	(\$17,384,648)	(\$15,061,875)	\$2,322,773	-13.9%	-17.2%
TOTAL - GENERAL REVENUE	\$2,758,360,378	\$2,805,443,009	\$2,784,965,227	\$2,839,518,000	(\$20,477,782)	\$34,074,991	\$54,552,773	1.7%	2.9%

FY05 REC Report

REVENUE COMPARISONS - FY2005										
TABLE: REC #3	Conference November Estimate FY2004	Conference May Estimate FY2004	Conference November Estimate FY2005	Conference May Estimate FY2005	Conf. FY04 November Vs Conf. FY05 November	Conf. FY04 May Vs Conf. FY05 May	Conf. FY05 November Vs May	Growth Rate FY03 to Con. to Con. May FY04	Growth Rate Conf. Nov. FY04 to Con. to Con. Nov. FY05	Growth Rate Conf. May FY04 to Con. to Con. May FY05
REC Report										
20-May-04										
GENERAL REVENUES										
TAXES										
Personal Income Tax	\$854,900,000	\$885,000,000	\$893,100,000	\$913,800,000	\$38,200,000	\$28,800,000	\$20,700,000	5.1%	8.8%	3.3%
GENERAL BUSINESS TAXES:										
Business Corporations	\$68,500,000	\$80,000,000	\$70,000,000	\$82,000,000	\$1,500,000	\$2,000,000	\$12,000,000	9.0%	27.4%	2.2%
Public Utilities Gross Earnings	\$77,800,000	\$85,000,000	\$79,000,000	\$86,500,000	\$1,200,000	\$1,500,000	\$7,500,000	2.2%	11.6%	1.5%
Financial Institutions	(\$13,500,000)	(\$3,000,000)	\$8,500,000	(\$3,000,000)	\$22,000,000	\$0	(\$11,500,000)	-237.7%	-130.6%	0.0%
Insurance Companies	\$50,600,000	\$42,600,000	\$51,400,000	\$41,000,000	\$800,000	(\$1,600,000)	(\$10,400,000)	-1.3%	-16.9%	1.6%
Bank Deposits	\$1,730,000	\$1,000,000	\$1,760,000	\$1,010,000	\$30,000	\$10,000	(\$750,000)	1.9%	-41.1%	1.7%
Health Care Provider Assessments	\$41,200,000	\$39,900,000	\$45,100,000	\$43,800,000	\$3,900,000	\$3,900,000	(\$1,300,000)	46.4%	41.8%	9.5%
SALES AND USE TAXES:										
Sales and Use	\$816,000,000	\$821,800,000	\$850,000,000	\$856,400,000	\$34,000,000	\$34,600,000	\$6,400,000	4.9%	5.7%	4.2%
Motor Vehicle	\$48,900,000	\$45,800,000	\$50,500,000	\$47,100,000	\$1,600,000	\$1,300,000	(\$3,400,000)	3.9%	-2.6%	3.3%
Gasoline	\$700,000	\$1,075,000	\$720,000	\$1,092,000	\$20,000	\$17,000	\$372,000	-31.5%	5.2%	2.9%
Cigarettes	\$121,400,000	\$117,000,000	\$116,300,000	\$108,600,000	(\$5,100,000)	(\$8,400,000)	(\$7,700,000)	28.6%	24.0%	-4.2%
Alcohol	\$10,300,000	\$10,200,000	\$10,600,000	\$10,500,000	\$300,000	\$300,000	(\$100,000)	2.4%	1.4%	2.9%
Marijuana Controlled Substances	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
OTHER TAXES:										
Inheritance and Gift	\$28,500,000	\$24,600,000	\$28,500,000	\$25,000,000	\$0	\$400,000	(\$3,500,000)	17.0%	1.0%	0.0%
Racing & Athletics Tax	\$4,900,000	\$4,785,000	\$4,800,000	\$4,610,000	(\$100,000)	(\$175,000)	(\$190,000)	-7.7%	-9.9%	-2.0%
Realty Transfer	\$10,800,000	\$12,300,000	\$10,900,000	\$11,000,000	\$100,000	(\$1,300,000)	\$100,000	13.9%	29.7%	0.9%
TOTAL - Taxes	\$2,122,730,000	\$2,168,060,000	\$2,221,180,000	\$2,229,412,000	\$98,450,000	\$61,352,000	\$8,232,000	5.5%	7.7%	4.6%
DEPARTMENTAL REVENUE										
TOTAL - Departmental Revenues	\$287,000,000	\$293,900,000	\$227,800,000	\$240,700,000	(\$59,200,000)	(\$53,200,000)	\$12,900,000	-0.9%	1.5%	-20.6%
TOTAL - Taxes & Departmentals	\$2,409,730,000	\$2,461,960,000	\$2,448,980,000	\$2,470,112,000	\$39,250,000	\$8,152,000	\$21,132,000	4.7%	6.9%	1.6%
OTHER SOURCES										
Gas Tax Transfers	\$6,608,000	\$6,608,000	\$6,720,000	\$6,692,000	\$112,000	\$84,000	(\$28,000)	-74.1%	-74.1%	1.7%
Other Miscellaneous	\$71,037,227	\$70,400,000	\$10,116,632	\$10,250,000	(\$60,920,595)	(\$60,150,000)	\$133,368	-61.8%	-62.1%	-85.4%
Lottery	\$283,100,000	\$283,900,000	\$315,000,000	\$318,000,000	\$31,900,000	\$34,100,000	\$3,000,000	19.7%	20.0%	11.3%
Unclaimed Property	\$14,490,000	\$16,650,000	\$8,570,000	\$9,290,000	(\$5,920,000)	(\$7,360,000)	\$720,000	71.3%	96.9%	-40.9%
TOTAL- Other Sources	\$375,235,227	\$377,558,000	\$340,406,632	\$344,232,000	(\$34,828,595)	(\$33,326,000)	\$3,825,368	-17.8%	-17.2%	-9.3%
TOTAL- GENERAL REVENUE	\$2,784,965,227	\$2,839,518,000	\$2,789,386,632	\$2,814,344,000	\$4,421,405	(\$25,174,000)	\$24,957,368	1.0%	2.9%	0.2%